

CRS Issue Brief

Africa: U.S. Foreign Assistance Issues

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SUMMARY

On February 7, 2000, the Administration released a budget proposal seeking \$836.9 million in Development Assistance for Africa, up substantially from the \$737.8 million appropriated for FY2000. Aid for Nigeria and for contributions to international peacekeeping in Africa would also be significantly increased under the Administration request. The FY2000 appropriation provided new capital to the African Development Fund, an Africa-based lender to the poorest countries, as well as funds for an AIDS initiative requested by the Administration in July 1999.

In 1995, at the outset of the 104th Congress, substantial reductions in aid to Africa had been anticipated, as many questioned the importance of Africa to U.S. national security interests in the post-Cold War era. This position seemed to moderate as the debate went forward, and congressional reports and bills acknowledged U.S. humanitarian, economic, and other interests in Africa. Aid levels did fall from FY1996 through FY1997, but began to increase in FY1998.

U.S. assistance finds its way to Africa through a variety of channels, including the USAID-administered Development Fund for Africa (DFA), food aid programs, and indirect aid provided through international organizations. Overall U.S. assistance through all channels, including food aid, totaled somewhat more than \$1.8 billion in FY1999, down from about \$2 billion in FY1998, when there was an unusually high volume of food aid.

U.S. assistance to sub-Saharan Africa reached a peak in 1985, when global competition with the Soviet Union was at a high point. As the Cold War eased, security assistance

programs for Africa began to drop. Bilateral economic assistance for Africa today is close to the FY1990 low. The United States was once the second-leading development aid donor to sub-Saharan Africa after France but has fallen to fourth place, behind France, Germany, and Japan, in the post-Cold War era.

Bilateral channels for aid to Africa, in addition to the DFA, include food assistance, refugee assistance, and the Peace Corps, which has over 2,200 volunteers in the sub-Saharan region. The U.S. African Development Foundation makes small grants to African cooperatives, youth groups, and other self-help organizations. U.S. security assistance, though still quite low, is increasing once again, primarily because of U.S. support for African peacekeeping initiatives. The World Bank's International Development Association (IDA) is the principal channel for multilateral U.S. aid.

Like its predecessor, the Clinton Administration is pushing African recipients for economic and political reforms, while placing increased emphasis on population and environmental programs. It has launched special initiatives, including a major transition initiative to assist South Africa in moving beyond the apartheid era. The Leland Initiative supports increased Internet connectivity in Africa. U.S. assistance also promotes African conflict resolution programs.

The 1999 debate on aid to Africa focused on overall aid levels for Africa, debt forgiveness, multilateral lending, and promoting African trade and investment.

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MOST RECENT DEVELOPMENTS

S. 2382, the Technical Assistance, Trade Promotion, and Anti-Corruption Act of 2000, which authorizes funds for a number of assistance programs related to the AIDS epidemic in Africa, was reported to the Senate from the Committee on Foreign Relations on April 7, 2000. (See CRS Issue Brief IB10050, AIDS in Africa.)

An April 13 press release from the U.S. Agency for International Development (USAID) stated that the United States had contributed \$245 million for famine relief in the Horn of Africa during FY2000, and on April 20, the Agency reported that emergency assistance to Ethiopia alone had reached \$184 million. Assistance through USAID and the Department of Defense to flood-stricken southern Africa was estimated at \$40.2 million as of April 14, including \$32.1 million for Mozambique. (See CRS Report RS20518, Mozambique and Other Recent Flood Disasters: Comparing the U.S. and International Responses.)

The Clinton Administration's proposed FY2001 budget, released on February 7, 2000, includes \$836.9 million in Development Assistance for sub-Saharan Africa, up substantially from the \$737.8 million appropriated for FY2000. Development Assistance would double, to \$55 million, for Nigeria, which would become the leading bilateral U.S. aid recipient in Africa. The Administration is also requesting a large increase to fund United Nations peacekeeping operations in Africa under the program entitled Contributions to International Peacekeeping Activities.

BACKGROUND AND ANALYSIS

U.S. Aid to Africa: An Overview

FY2001 Request

The Administration's FY2001 request for assistance to sub-Saharan Africa (**Table 1**) would increase aid for the region over a wide range of programs. Development Assistance, which includes aid under the Development Fund for Africa and the Child Survival and Disease Programs fund, would grow from the \$737.8 million appropriated in FY2000 to \$836.9 million. Development Aid for Nigeria, where the Administration is seeking support for the democratic transition that began in 1998, would double (**Table 4**), reaching \$55 million, and Nigeria would also receive a \$5 million increase – to \$25 million – under the Economic Support Fund. In addition, Nigeria, with South Africa, would benefit from the proposed \$10 million International Narcotics and Crime request, the first such request for Africa, which would establish an African Regional Anti-Crime program. **Table 1** indicates a decrease in Food Aid for FY2001, but actual food aid could be much larger if, as has happened in past years, there is an unexpected food emergency in some African country or region.

The Administration is seeking a \$5 million increase under the Economic Support Fund (ESF) for the Regional Program entitled "Education for Development and Democracy," which aims at strengthening African education, with a special focus on education for girls

and women. Total funding for this program, including Development Assistance, would reach \$45 million under the request. The Organization for African Unity (OAU) would receive \$2 million in ESF aid, and the program known as “Governments in Transition,” which assists governments emerging from conflict, would be funded at \$20 million in ESF, up \$10 million from FY2000.

The largest requested increase, however, is for the U.S. contribution to international peacekeeping activities in Africa, which would nearly triple. As **Table 2** indicates, the Administration is planning substantial commitments to UN peacekeeping operations in Sierra Leone and the Democratic Republic of the Congo, as well as in the Ethiopia/Eritrea conflict, under the program entitled Contributions to International Peacekeeping Activities (CIPA). Funds for CIPA are appropriated in the legislation that funds the Departments of Commerce, Justice, and State. The Administration request would also increase spending to combat the AIDS epidemic in Africa. For details, see CRS Issue Brief IB10050, *AIDS in Africa*.

Table 1. Overview of the FY2001 Africa Proposal
(\$ millions.)

Program	FY2001 (Request)	FY2000 (Est.)	FY1999 (Actual)
Development Fund for Africa	532.9	453.8	460.1
Child Survival and Disease Programs	304.1	284.0	251.2
Economic Support Fund	98.0	62.5	101.5
African Development Foundation	16.0	14.3	11.1
Peace Corps	55.1	53.0	56.0
International Narcotics Control	10.0	0	0
Peacekeeping Operations	35.0	33.0	21.1
International Military Education and Training	9.2	8.0	8.5
Foreign Military Financing	18.0	12.0	7.9
Contributions to Int'l Peacekeeping	260.5	88.7	33.4
African Development Bank	6.1	4.1	0
African Development Fund	100.0	127.0	128.0
Non-Food Aid Total	1444.9	1140.4	1078.8
Food Aid	161.4	374.3	224.4
Total	1606.3	1514.7	1303.2

Table 2. Contributions for International Peacekeeping Activities
(\$ millions)

Operation	FY2001 (Request)	FY2000 (Est.)	FY1999 (Actual)
U.N. Operations in Angola	1.0	1.0	23.9
War Crimes Tribunal - Rwanda	18.0	10.7	8.0
Sierra Leone (U.N.)	118.0	73.0	1.5
Democratic Republic of the Congo (U.N.)	94.5	4.0	0
U.N. Operations in Ethiopia/Eritrea	29.0	0	0
Total	260.5	88.7	33.4

Recent Assistance Levels

In 1995, at the beginning of the 104th Congress, proposals to restructure and reduce the U.S. foreign assistance program raised questions about the future of U.S. aid to sub-Saharan Africa. Many questioned the strategic rationale for assisting Africa in the post-Cold War era, and asserted that 30 years of U.S. assistance had accomplished little — whether in terms of promoting economic growth and democratization, or achieving other objectives. The critics generally favored humanitarian assistance, but sought sharp cuts in programs to accomplish other objectives. As the aid debate proceeded, however, it became apparent that cuts for Africa would be somewhat less than initially anticipated. The view that the United States has important humanitarian, economic, and other objectives in Africa was vigorously asserted by supporters of the Africa aid program, and came to be reflected in report language on the major foreign assistance bills, and in the bills themselves. Appropriations for Development Assistance in Africa did drop significantly in FY1996 and remained at the same level in FY1997 (**Table 3**). But in FY1998, appropriations began to increase.

Bilateral Aid

U.S. assistance finds its way to Africa through a variety of channels. Bilateral or country-to-country aid, also known as direct assistance, is given by the U.S. government to African governments and their agencies or to non-governmental organizations (NGOs), also known as private and voluntary organizations (PVOs), working within the host country. Multilateral aid, or indirect assistance, is given first to international financial institutions (IFIs) and U.N. agencies, which in turn channel it to Africa through their own programs.

Table 3. Development Assistance for Sub-Saharan Africa
(Including Child Survival and Disease Programs Fund, \$millions)

	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000
Request	863.6	802.1	704.0	700.0	730.0	790.0 ^a
Actual Appropriation	802.0	665.0	665.1	700.0	711.3	737.8

^aIncludes \$45 million in additional CSD requested as part of a July 1999 AIDS initiative.

Past Decline. Bilateral aid obligations to sub-Saharan Africa, including economic assistance, food aid, the Peace Corps, and military assistance, reached a peak of \$2.4 billion in FY1985, but fell to \$1.2 billion in FY1990 (both figures in constant 1997 dollars). Bilateral aid rose slightly after FY1990, but then dropped off again. Despite increases in FY1998 and FY1999, recent aid levels have remained at or below the FY1990 level. The aid peak in the mid-1980s reflected the high levels of foreign affairs spending characteristic of the period, which in turn grew out of the global competition with the Soviet Union. Efforts to combat famines afflicting several African countries at the time also boosted aid.

The decline in aid to Africa in the later 1980s was part of a worldwide pattern, in part reflecting concerns over the size of the U.S. budget deficit and measures to bring the deficit under control. Toward the end of the decade, moreover, competition with the Soviet Union in the Third World began to fade as a U.S. priority. Thus, the United States cut aid to some countries that had been major Cold War aid recipients, including African recipients such as Zaire and Liberia, because of human rights violations and political instability, or because they refused to carry through with economic liberalization programs.

The reduction in Africa aid during the 1980s took place almost entirely within the security-oriented programs: military assistance and especially the Economic Support Fund (ESF). ESF aid is a type of economic assistance allocated by the State Department, in consultation with USAID, with the objective of promoting U.S. security interests. By the mid-1980s, many in Congress and in the wider aid-oriented community had come to believe that security assistance programs in Africa had grown too large and that more U.S. aid should be used to promote long-term development. This concern, combined with declining anxiety over the Soviet threat, brought a sharp reduction in ESF Africa funding. During the Cold War, a few African countries regarded as strategically important, such as Sudan, Kenya, and Somalia, had received substantial grants for the purchase of military equipment, but this sort of aid was also dropping as the 1980s ended. By FY1995, military grants or financing to purchase equipment had been phased out, and military aid was largely confined to small training grants, typically ranging between \$100,000 and \$200,000, funded under the International Military Education and Training (IMET) program.

Development Fund for Africa, DA, and Child Survival Aid. Falling ESF levels threatened the overall scale of the sub-Saharan aid program after 1985, and this threat led to the creation of the Development Fund for Africa (DFA), which specifically earmarked a minimum level of the worldwide Development Assistance program for the region. The DFA guidelines first appeared in the conference report (H.Rept. 100-498) accompanying the

FY1988 appropriations legislation and were enacted into law in 1990 (P.L. 101-513, Section 562), becoming Chapter 10 of Part I of the Foreign Assistance Act of 1961 (P.L. 87-195).

Under this legislation, DFA remained a part of the broader DA program (Chapter 1 of the Foreign Assistance Act), but aid was authorized for a range of specifically Africa-related objectives. These reflect various development theories and strategies that had emerged in the development debate among policy-makers, academics, NGOs, the IFIs, and others over many years. According to Chapter 10, the purpose of the program “is to help the poor majority of men and women ... to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant.”

Moreover, according to Chapter 10, DFA aid is to be used to “promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector.” Chapter 10 stresses local involvement and “grassroots” development, but it permits aid in support of economic policy reforms that promote several “critical sectoral priorities.” These are agricultural production and natural resources, with an emphasis on promoting equity in rural incomes; health, with emphasis on maternal and child health needs; voluntary family planning services; education, with an emphasis on improving primary education; and income-generating opportunities for the unemployed and underemployed. In addition, Chapter 10 authorizes aid for regional integration and donor coordination.

The DFA, with its broad phrasing and support for long-term funding, gave USAID planners new flexibility in designing the Africa-assistance program. However, Congress did include guidelines stating that a minimum of 10% of DFA funds should be devoted to each of three broad purposes: agricultural production, health, and voluntary family planning services. Obligations for sub-Saharan Africa projects under the DFA reached a peak of \$846 million in FY1992, dropping well below \$800 million in subsequent years despite efforts by some Members to increase the DFA appropriation to \$1 billion or more.

The DFA was last earmarked by Congress in the FY1995 appropriations, and DA for Africa has since been provided out of the worldwide Development Assistance appropriation. Despite the absence of an earmark, DA going to sub-Saharan Africa continued to be referred to as DFA, and USAID noted that such aid was still governed by the provisions of the DFA legislation.

For FY1996, Congress began to appropriate another type of DA: the Child Survival and Disease Programs Fund (CSD), which has channeled substantial amounts of aid to Africa. The CSD appropriation has been included in the House version of the Foreign Operations appropriation and has become part of the final appropriations legislation in conference with the Senate. In its FY2000 and FY2001 budget presentations, USAID has listed both DFA and CSD amounts for African countries and added the two together to present a DA total for each African recipient. This leaves the terminology of Africa aid somewhat confused, since some of those using the term DFA may still be referring to the DA total, rather than the smaller, separate DFA amounts requested by USAID.

Table 4 lists DA totals for each African recipient. Under the Administration’s FY2001 request, Nigeria will replace Uganda, which drops to third place behind South Africa, as the leading DA recipient. Higher levels of DA for South Africa in earlier years have fallen as

the country has moved ahead with its post-apartheid transition. However, plans to phase out the South Africa program in the near future have been shelved because of that country's slow rate of economic growth and the difficulties it has experienced in creating new jobs. The aid level for Uganda primarily reflects Administration approval of its free market economic reforms and its role as "an increasingly stable regional ally" (USAID Congressional Presentation, FY1999). There would be a slight increase in the small Development Assistance program in Zimbabwe under the Administration's request, despite that country's domestic political tensions and its military intervention in the war in the Democratic Republic of the Congo (DRC). Officials believe it is important for the U.S. Agency for International Development (USAID) to maintain a presence in Zimbabwe during a difficult period.

Food Aid. Food aid to Africa fluctuates in response to the continent's needs. Most of Africa's food aid is in the form of emergency grants given under Title II of the P.L. 480 program, which is implemented by USAID in cooperation with the Department of Agriculture. On rare occasions, countries in a position to repay are given long-term, low-interest loans to purchase food under Title I of P.L. 480. Some of Africa's poorest countries have received U.S. food donations under Title III, entitled "Food for Development," which can be used in feeding programs or sold on the open market, with proceeds to be used for development purposes. A few countries have benefitted under Sec.416(b) of the Agricultural Act of 1949, as amended, which permits donations of surplus food to developing countries, emerging democracies, and relief organizations. (For further information, see CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*; and CRS Report 94-303, *P.L. 480 Food Aid: History and Legislation, Programs, and Policy Issues*.) Food aid levels for FY2000 are expected to increase sharply beyond current projections due to the flood disasters afflicting southern Africa, particularly Mozambique, and the looming drought-induced famine in the Horn of Africa, particularly Ethiopia. "Situation Reports" published by USAID's Office of Foreign Disaster Assistance provide updates on the U.S. response to these and other disasters. To find these reports, visit [<http://www.info.usaid.gov/>] and click on "Humanitarian Response."

Peace Corps. Over 2,100 Peace Corps Volunteers (PCVs) are currently working in the sub-Saharan region. Under the Peace Corps Act (P.L. 87-293), volunteers are to help the poorest people meet their basic needs, to promote a better understanding of the American people, and to promote a better understanding of other peoples on the part of Americans. In Africa, the Peace Corps attempts to accomplish these objectives through small-scale projects in agriculture, education, health, the environment, small business development, and urban development. Political instability and war have hampered Peace Corps efforts in recent years, forcing withdrawals from, Eritrea, Chad, the DRC, and other countries. The Peace Corps left Botswana in 1997 and Swaziland in 1998 to accommodate budgetary constraints and concentrate resources where most needed. The largest programs today are in Mali, Ghana, Malawi, Cameroon, and Lesotho. President Clinton has proposed a "Millennium Initiative" that would boost the number of PCVs to 10,000 worldwide. Under this initiative, the Peace Corps hopes to have 2,300 volunteers in sub-Saharan Africa in FY2001.

Table 4. DA Recipients in Africa

(Includes DFA and CSD, ranked according to FY2001 Request. \$ millions)

	FY2001 Request	FY2000	FY1999
Nigeria	55.0	27.5	12.5
South Africa	54.5	46.7	47.0
Uganda	53.9	47.1	46.4
Mozambique	45.6	45.1	40.7
Ethiopia	40.4	37.7	39.9
Mali	38.9	34.7	34.5
Ghana	36.1	35.7	46.9
Zambia	35.0	27.8	20.4
Kenya	31.9	28.3	19.3
Malawi	29.2	29.7	32.1
Tanzania	26.1	23.8	21.6
Senegal	23.4	22.5	23.2
Guinea	22.7	18.6	17.0
Madagascar	21.1	16.0	15.5
Rwanda	14.8	14.1	11.3
Benin	14.6	13.9	15.7
Zimbabwe	13.7	12.1	8.5
Congo (DRC)	12.9	9.8	7.9
Namibia	10.3	9.2	8.6
Angola	9.9	9.0	11.2
Liberia	9.7	6.7	7.7
Eritrea	9.3	8.8	10.0
Sierra Leone	5.0	1.0	0
Somalia	0	0	1.5

Security Assistance. The security assistance program in Africa, which had declined with the end of the Cold War, has begun to grow again, primarily in response to widening conflict and political instability in Africa. The Administration's FY2001 request seeks \$20 million under the Peacekeeping Operations (PKO) program for the African Crisis Response Initiative (ACRI), which trains small units of African armies for possible peacekeeping duties, while \$15 million in PKO aid would go to support as yet unspecified initiatives that promote regional security and stability. The Administration proposes to use the \$18 million requested for Foreign Military Financing to respond to developing situations in Nigeria, Ethiopia, Eritrea, Uganda, and perhaps other countries. International Military Education and Training (IMET) programs in Africa, according to the Administration, are aimed at promoting professionalism and respect for democracy and human rights, while enhancing capabilities for participation in peacekeeping operations. These programs run well under \$1

million per country, and the Administration is proposing programs for 43 African countries in FY2001.

Regional Programs. Both DA and ESF funds are used to support USAID's Africa Regional Programs, which are designed to confront challenges that span the borders of African countries. Proposed increases for the Education for Development and Democracy and the Governments in Transition programs have already been noted. For FY2001, the Administration is seeking \$28 million for the Africa Trade and Investment Policy (ATRIP) program, a regional program that provides technical assistance, training, and other aid to African countries implementing free-market economic reforms. ATRIP also "catalyzes business linkages" between U.S. and African firms, according to USAID's FY2000 Congressional Presentation. An estimated \$30 million went to ATRIP in FY2000.

African Development Foundation

The African Development Foundation (ADF) has a unique mandate to make small grants directly to African cooperatives, youth groups, and other self-help organizations. These grants usually range from less than \$20,000 to a maximum of \$250,000, although appropriations language permits a waiver of the \$250,000 ceiling. In addition, the ADF supports grassroots development research by African scholars and promotes the dissemination of development information at the community level. By law, the ADF is limited to 75 employees. Its 7-member Board of Directors must include 5 private-sector representatives. ADF does not station U.S. employees in overseas posts, but instead works through local-hires and periodic field visits.

The creation of the ADF in 1980 reflected a widespread view among many development experts — and in Congress — that foreign policy considerations were playing too large a role in the U.S. development aid program for Africa; that the USAID bureaucracy tended to delay the delivery of needed assistance; and that existing aid was governed by a "trickle down" philosophy that could be combated by delivering some aid directly to poor Africans and their community organizations. Legislation establishing the ADF (P.L. 96-533, Title V) stated that its purposes were to strengthen the bonds of friendship between the people of Africa and the United States; support local self-help activities in Africa; stimulate participatory development; and promote the growth of indigenous development institutions (P.L. 96-533, Title V). The organization began operations in 1984. For FY2001, the Administration is seeking \$16 million for the ADF.

Refugee and Disaster Assistance

The United States responds to African humanitarian crises in part with Title II food aid, discussed above, and in part through its refugee and disaster assistance programs. Most refugee assistance comes from the Migration and Refugee Assistance (MRA) account of the State Department appropriation and goes to the United Nations High Commissioner for Refugees and international organizations, as well as private and voluntary organizations assisting African refugees. In addition, the Emergency Refugee and Migration Assistance (ERMA) account, created in 1962 to deal with unexpected refugee situations, has been drawn upon for African emergencies several times in recent years. ERMA funds were used in 1994, for example, to respond to the Rwanda refugee emergency, and in FY1997, \$38 million was spent to assist refugees, victims of conflict, and others at risk in the Great Lakes region of

Africa generally. (For further information, see CRS Issue Brief IB89150, *Refugee Assistance in the Foreign Aid Bill: Problems and Prospects*.)

USAID's Office of Foreign Disaster Assistance (OFDA) also plays a major role in responding to African crises. In recent years, the largest amounts have been spent in response to emergencies in Sudan, Sierra Leone, and Burundi.

Multilateral Assistance

The United States provides aid to Africa indirectly through international financial institutions (IFIs) and United Nations agencies. World Bank lending through its "soft loan" affiliate, the International Development Association (IDA) is the largest single source of development capital in Africa. IDA loans, which are considered a form of aid since they are virtually interest-free and carry extended repayment periods, have focused on strengthening public sector management, transportation, agriculture, and various social problems. IDA has been particularly active in assisting efforts by the recipient countries to carry out free market economic reforms. IDA decreased its Africa lending from \$2.7 billion in 1996 to \$1.7 billion in 1997, attributing the drop to temporary factors; and indeed IDA lending reached \$2.8 billion in the region in 1998. IDA lending fell back to \$2.1 billion in 1999, and the Bank reports that this was due to the conflicts affecting a number of African borrowers.

The African Development Fund (AfDF) has been another major channel for indirect U.S. aid to Africa. The Fund, an affiliate of the African Development Bank (AfDB), makes loans on highly concessional terms to the poorest African countries. The AfDB lends on roughly commercial terms to creditworthy African borrowers, but at the same time, it holds 50% of the voting power in the AfDF. In the mid-1990s, the United States and other donors became concerned over AfDB lending practices and the effectiveness of Bank management, but these concerns have been largely resolved. Consequently, the United States is participating in the replenishment programs of both the Bank and the Fund. For further information, see CRS Report RS20329, *African Development Bank and Fund*.

Total U.S. Assistance

Totals for assistance to Africa through the major assistance programs discussed above are provided in **Table 5**. Entries for aid through multilateral organizations were calculated by multiplying the U.S. appropriation for each organization by the proportion of aid that organization gives to sub-Saharan Africa. The totals in this table are only an approximation, since additional amounts of indirect aid reach Africa through other channels, principally U.S. contributions to the regular budgets of U.N. agencies active in Africa, such as the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). (For further information, see CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*.) Total assistance in FY1998 was unusually high because of high levels of food assistance.

Table 5. Estimated U.S. Africa Aid
(\$ millions, appropriations)

Aid Source	FY1997	FY1998	FY1999
Bilateral	1097.4	1252.2	1106.7
PKO	13.0	17.1	21.0
ADF	11.5	14.0	11.1
MRA	129.3	130.8	135.5
ERMA	38.0	33.0	2.3
OFDA	106.5	105.3	69.6
IDA	254.5	388.1	242.3
AfDF	0	45.0	128.0
UNICEF	47.0	49.2	51.4
UNDP	15.4	15.6	15.6 ^a
Total	1712.6	2050.3	1783.5

a. Assumes UNDP spent in Africa at the 1998 level.

Comparison with Other Regions

Some advocates of increased aid to sub-Saharan Africa contrast Africa aid levels with aid to Egypt and Israel. Others see no issue in the disparity between Africa aid and aid to the Middle East or other regions, arguing that the differences reflect varying U.S. interests. In any case, the FY2000 actual appropriation for all forms of bilateral aid to Africa was \$1.2 billion, while Israel and Egypt together received \$6.1 billion, virtually all in the form of security assistance. Aid to Africa was less than the \$1.6 billion for Europe and the Newly Independent States, including Russia; but more than the \$0.8 billion for Latin America and the Caribbean.

Comparison with Other Donors

In 1986-1987, according to data compiled by the Organization for Economic Cooperation and Development (OECD), the United States ranked second to France as a donor to sub-Saharan Africa of net bilateral Official Development Assistance (ODA), which includes food aid and relief as well as development aid. By 1996-1997, however, the United States had fallen to fourth place behind France, Germany, and Japan.

Recent Trends in U.S. Aid

In the FY2000 Foreign Operations congressional presentation, the Assistant Secretary of State for African Affairs, Susan Rice, stated that the Administration has two broad objectives in Africa policy: "integrating Africa into the global economy by promoting economic development, democracy, and respect for human rights, and conflict resolution," and "defending the United States against transnational security threats emanating from Africa," including disease and environmental degradation. The FY2000 USAID presentation attempted to relate the U.S. assistance program to these overall objectives, claiming gains

in economic growth and agricultural development, democracy and governance, human capacity through education, population and health, the environment, and humanitarian assistance.

The emphasis on democracy in the aid program precedes the Clinton Administration. USAID began to develop programs for democracy support and introduce democratic criteria for sub-Saharan recipients in 1990, during the Bush Administration, anticipating democracy support efforts in Eastern Europe and the former Soviet Union. The shift toward building democracy is reflected in the changing identities of the leading U.S. aid recipients. In 1985, Sudan, Somalia, Liberia, Kenya, and Zaire topped the list, and none of these had a democratic government. By 1995, South Africa, where a democratic election took place in 1994, was the top recipient by a wide margin, while the other leading recipients were all undergoing democratic transitions.

USAID officials have testified that the United States has had a number of successes in promoting sustainable development, democracy, and conflict resolution. They point to Ghana, Uganda, Zambia, and Mali, as examples of successful political and economic transitions, while Mozambique and South Africa are cited as models of transition from conflict to peace as well. Skeptics of USAID's programs, noting, for example, widespread reports of corruption and undemocratic practices in Zambia and a slow rate of economic growth in post-apartheid South Africa, question whether economic and political gains are genuine or will endure. With respect to conflict resolution, some note that two leading recipients, Uganda and Ethiopia, are currently involved in armed conflicts, as are some lesser recipients, including Rwanda, Zimbabwe, Eritrea, and Angola. Supporters of the program respond by acknowledging that problems inevitably arise within and among countries that face serious challenges with deep historical roots, but insist that overall trends in Africa are positive and that long-term development efforts cannot be interrupted every time difficulties occur.

USAID also maintains that the DFA and CSD assistance have assisted in helping African countries achieve increases in child immunization and the use of oral rehydration therapy, shift their health policies towards an active emphasis on AIDS prevention, increase the prevalence of contraceptive use, and boost primary school enrollments. In agriculture, USAID asserts that the DFA has helped liberalize agricultural markets, increase smallholder production; and facilitate the development of new seed varieties. The DFA has also been used to assist governments undertaking macro-economic reforms, including reductions in the size of government bureaucracies and the privatization of government enterprises.

USAID maintains that it has introduced an efficient, performance-based management system for the DFA, and focused U.S. resources on countries where the chances for success are greatest. USAID has closed missions in several sub-Saharan countries in keeping with the downsizing affecting the foreign affairs agencies generally. Most are in countries that are not cooperating with USAID's efforts to promote democratic and free-market reforms, while the Botswana closing reflects the country's "graduation," as its annual per capita income approaches \$3,000. Some believe that the shutdowns will boost USAID's efficiency over the long-term, but others worry that a major retrenchment is beginning. In their view, U.S. influence will suffer as a result.

Stabilizing population growth has been an important objective of the Clinton Administration's Africa program. Policy planners argue that the continent has little prospect for economic growth, ending famine, or reducing conflict unless population growth can be slowed. USAID officials maintain that family planning is winning wider acceptance among African themselves and point to declining fertility rates in Kenya, Zimbabwe, and Botswana as evidence. They note that the United States is the largest donor of population assistance in each of these countries. USAID population efforts focus on persuading senior African policy planners of the need to stabilize population growth; supporting family planning programs; supporting population planning education and information programs; and developing channels for the distribution of contraceptives.

The Clinton Administration has launched several special development initiatives in Africa. The Greater Horn of Africa Initiative (GHAI), aims at easing the perennial food insecurity in a region extending from Eritrea and Ethiopia to Tanzania by promoting collaboration and consultation on food security strategies. The Initiative for Southern Africa (ISA) reflect's USAID's recognition of the region's economic potential and its desire to reinforce South Africa's democratic transition as a model for the rest of the continent. The initiative includes a Democracy Fund, to make grants in the region in support of democracy, and a Southern Africa Enterprise Development Fund (SAEDF), to promote indigenous business development and ownership.

The Leland Initiative is a 5-year \$15 million program aimed at connecting 20 sub-Saharan countries to the Internet. The initiative is named for the late Representative Mickey Leland, founder of the House Select Committee on Hunger, who died in a 1989 plane crash while on his way to investigate conditions in an Ethiopian refugee camp. Technicians from several U.S. government agencies are working to implement the project, which will make Internet access available to "all sectors of the African development community," including NGOs, government agencies, "private developers," and individuals. (USAID press release, June 6, 1996.)

South Africa has been a special focus of the Clinton Administration's aid policy in Africa. After the installation of a democratically-elected government in May 1994, President Clinton pledged the United States to \$600 million in aid to South Africa over 3 years. The United States guaranteed loans for housing, electrification, and small business development. Resources were also used to support the growth of small, medium, and micro-enterprises (SMMEs) in South Africa. In its FY2000 presentation, USAID emphasizes efforts to strengthen the South African justice system, improve education, promote primary health care, and foster majority involvement in business.

President Clinton made a number of announcements and proposals with respect to Africa assistance while visiting 6 countries in the region from March 22 through April 2, 1998. (For further information, see CRS Report 98-420, *Africa: President Clinton's 1998 Visit*.) Most of the funding for these initiatives was to come from existing programs, or had already been proposed under the Administration's FY1999 foreign assistance request, which was submitted to Congress before the President's departure. Some initiatives extend over two years, however, so that additional funds were requested for FY2000.

The Africa: Seeds of Hope initiative grows out of congressional action in 1998, when the Africa: Seeds of Hope Act (P.L. 105-385) was passed. The Africa: Seeds of Hope bill

(H.R. 4283) was introduced by Rep. Doug Bereuter and strongly supported by Bread for the World, which describes itself as “a nationwide Christian citizens movement seeking justice for the world’s hungry....” The Act supports USAID’s Africa Food Security Initiative by encouraging a refocus on agriculture and rural development. A presidential report on implementation of the act argued that even more could be done in agriculture if more funds were available.

Further information on USAID initiatives, as well as testimony and reports, can be found at the Africa Bureau’s Worldwide Web site: [<http://www.info.usaid.gov/regions/afr/>].

Congressional Action in 1999

On November 19, 1999, the Senate agreed to the conference report (H.Rept.106-479) on H.R. 3194, the District of Columbia Appropriations, which by cross reference included H.R. 3422, the Foreign Operations Appropriations, introduced on November 17. The House had already agreed to the H.R. 3194 conference report on November 18, and the Senate action cleared the consolidated appropriations measure for presidential signature. H.R. 3194 was signed into law (P.L. 106-113) on November 29, 1999.

The Africa-related provisions of H.R. 3422 were similar to those in H.R. 3196, the Foreign Operations Appropriations bill that passed the House on November 5, after President Clinton, on October 18, had vetoed H.R. 2606, the first FY2000 Foreign Operations Appropriations to pass both the House and the Senate. H.R. 3422, like H.R. 3196, provides additional funding for the African Development Bank and its affiliate, the African Development Fund. The appropriation included \$35 million to fund an Administration-requested AIDS initiative principally focused on Africa. Africa would also likely benefit from the additional \$90 million in bilateral debt relief funding and from added support for the World Bank’s International Development Association. Increased funding for the Economic Support Fund, Peacekeeping Operations, and the Peace Corps could benefit Africa as well, although this is not yet clear.

Congress did not fund multilateral debt relief requested by the Administration, but H.R. 3425, also enacted by reference in H.R. 3194, includes an authorization for re-valuing gold held by the International Monetary Fund, with the proceeds to be used for the relief of debts owed the IMF. Heavily-indebted poor African countries are expected to be major beneficiaries of this provision.

In explaining his October 18 veto of the first foreign operations appropriation, H.R. 2606, the President complained about the absence of funding for multilateral debt relief. He added that cuts in requested appropriations for multilateral development banks would “seriously undermine our capacity to promote economic reform and growth in Latin America, Asia, and especially Africa.” The President also said that the appropriation for the Peace Corps would not permit his proposed increase to 10,000 volunteers worldwide.

Table 6 compares the initial Senate-passed (S. 1234) and House-passed (H.R. 2606) versions of the Foreign Operations appropriations legislation with the vetoed conference report version (H.Rept. 106-339) and the Administration’s request in selected Africa

categories. The last column lists amounts in H.R. 3422, which was included by reference in H.R. 3194, as noted above.

Table 6. Selected FY2000 Appropriations Actions Affecting Africa
(\$ millions)

	FY1999	Request	S. 1234	H.R. 2606 (House-passed)	H.R. 2606 (Conf. version)	H.R. 3422
DA/DFA	460.1	512.6	^a	460.1 ^b	^a	^a
CSD	251.2	232.4	^a	275.0 ^c	^a	^a
CSD AIDS Initiative	0	45.0 ^d	0	0	0	35.0 ^e
ESF	98.2	73.0	^a	^a	^a	^a
ADF	11.1	14.4	12.5	14.4	14.4	14.4
Peace Corps	54.6	56.0	^a	54.5 ^c	^a	^a
AfDB	0	5.1	5.1	0	1.0	4.1
AfDF	128.0	127.0	0	108.0	77.0	128.0
IDA	242.3	401.7 ^f	392.5 ^f	284.3 ^f	312.5 ^f	387.5 ^f

a. No specific earmark or report language on Africa.

b. Although there is no earmark, report language (H.Rept. 106-254) directs that DA funding be at least equal to FY1999 funding.

c. House report estimate.

d. On July 19, 1999, the Administration announced a new AIDS initiative, including a \$45 million CSD budget amendment to be focused "primarily" on Africa.

e. According to the conference report on H.R. 3194 (H.Rept. 106-479) "at least \$10,000,000 additionally is designated for children affected by the HIV/AIDS epidemic."

f. Based on an assumption that half of new IDA lending will go to sub-Saharan Africa. The IDA-12 replenishment targets this amount, as long as the performance of individual countries warrants it. With China's recent "graduation" from IDA eligibility, additional IDA funds have become available, but economic and political problems affecting many African countries may limit lending opportunities and make it difficult to reach the IDA-12 target.

Issues for 2000

It seems clear that AIDS in Africa will be a major concern during the debate over the FY2001 assistance program for Africa. For more on this issue, see CRS Issue Brief IB10050, *AIDS in Africa*. The scope and effectiveness of relief and recovery efforts for Mozambique and other flood-stricken countries in southern Africa could also be a key issue. Other issues could include debt forgiveness (CRS Report RL30214, *Debt Reduction: Initiatives for the Most Heavily Indebted Poor Countries*) and trade and investment issues (CRS Issue Brief IB98015, *African Trade and Investment, Proposals in the 106th Congress*). CRS products on other potential issues include:

CRS Issue Brief IB96037, *Congo (formerly Zaire)*.

CRS Issue Brief IB98046, *Nigeria in Political Transition*.

CRS Report RS20103, *Sierra Leone: Current Issues*.

CRS Issue Brief IB98043, *Sudan: Humanitarian Crisis, Peace Talks, Terrorism, and U.S. Policy*.

USAID officials and others express a number of frustrations with aspects of the foreign assistance program, but these have had little impact on the congressional aid debate. Some argue, for example, that reductions in operating expenses have forced staff and mission cutbacks that complicate USAID's ability to implement the Africa DA program. Critics of this view maintain that USAID, like other parts of the government, must deal with budget constraints in the interest of maintaining a budget surplus. Some in USAID and elsewhere maintain that the CSD earmark had absorbed funds that might otherwise have been used to promote long-term development, which in turn would promote better health among both children and adults. Others argue, however, that the CSD program has channeled funds to a critical, immediate humanitarian need, and that the American people strongly support assistance that benefits impoverished children.

For recent academic studies of Africa aid issues, see Carol Lancaster, *Aid to Africa: So Much to Do, So Little Done* (Century Foundation, University of Chicago Press, 1999) and Nicholas van de Walle, "Aid's Crisis of Legitimacy: Current Proposals and Future Prospects," *African Affairs*, v. 98, July 1999.

Appendix: Africa Assistance Acronyms

ACRF	<i>Africa Crisis Response Force</i> proposed by the Clinton Administration.
ACRI	<i>Africa Crisis Response Initiative</i> of the Clinton Administration.
ADF	<i>African Development Foundation</i> , U.S.-funded public corporation.
AfDB	<i>African Development Bank</i> , an Africa-based IFI.
AfDF	<i>African Development Fund</i> , affiliate of the African Development Bank.
ATRIP	<i>Africa Trade and Investment Program</i> , a USAID initiative.
CARPE	<i>Central African Regional Program for the Environment</i> , a USAID initiative.
CIPA	<i>Contributions to International Peacekeeping Activities</i>
CSD	<i>Child Survival and Disease Programs Fund</i> , a form of DA.
DA	<i>Development Assistance</i> .
DFA	<i>Development Fund for Africa</i> , the principal U.S. DA program for Africa.
ERMA	<i>Emergency Refugee and Migration Assistance</i> , administered by the State Department.
ESF	<i>Economic Support Fund</i> , a State Department program for promoting U.S. interests.
FMF	<i>Foreign Military Financing</i> , once used to fund arms and equipment purchases by African governments.
GHAI	<i>Greater Horn of Africa Initiative</i> , a Clinton Administration program.
IBRD	<i>International Bank for Reconstruction and Development</i> , The World Bank.
IDA	<i>International Development Association</i> , concessional loan affiliate of IBRD.
IFIs	<i>International financial institutions</i> .
IGAD	<i>Inter-governmental Authority on Development</i> , a Djibouti-based organization of Horn of Africa states.
IMET	<i>International Military Education and Training</i> , a form of military assistance.
ISA	<i>Initiative for Southern Africa</i> , sponsored by USAID.
MRA	<i>Migration and Refugee Assistance</i> , a State Department program.
NGOs	<i>Non-governmental organizations</i> .
OECD	<i>Organization for Economic Cooperation and Development</i> , an organization of developed countries.
ODA	<i>Official Development Assistance</i> , the OECD's concept of DA.
OFDA	<i>Office of Foreign Disaster Assistance</i> , a part of USAID.
PCVs	<i>Peace Corps Volunteers</i>
PKO	<i>Peacekeeping Operations</i> account authorized by Part II, Chapter 6 of the Foreign Assistance Act.
PVOs	<i>Private and voluntary organizations</i>
SAEDF	<i>Southern Africa Enterprise Development Fund</i> , a USAID program.
SMMEs	<i>Small, medium, and micro-enterprises</i> .
UNECA	<i>United Nations Economic Commission for Africa</i> , headquartered in Addis Ababa, Ethiopia.
UNDP	<i>United Nations Development Program</i>
USAID	<i>U.S. Agency for International Development</i>